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CHUCK HAGEL

P R E S S R E L E A S E



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Contact: Joy Ditto

202-224-4224

Hagel Urges the EPA to Provide Relief from Skyrocketing Fuel Prices

Washington, D.C. — Senator Chuck Hagel (R-NE) has urged U.S. Environmental Protection Agency (EPA) Administrator Carol Browner to consider easing some of the agency's new fuel regulations that have led to increased gas prices across the country and especially in the Midwest.

In a letter sent Thursday, Hagel encouraged Administrator Browner to consider "temporarily easing part of the Phase II Reformulated Gasoline (RFG) regulations in order to provide American consumers relief from high fuel prices."

The EPA requires the use of RFG gasoline in metropolitan areas with pollution problems and new rules for RFG went into effect on June 1, 2000. Although Nebraska does not sell RFG gasoline, the state has been indirectly affected by implementation of RFG gas in Chicago and Milwaukee since Nebraska relies on the same regional refineries and pipeline systems that serve these cities.

"Ethanol's ability to reduce carbon monoxide emissions has been and will continue to be integral to the success of the RFG program," said Hagel. "The unforeseen combination of the EPA's new RFG regulations, skyrocketing crude oil prices and high demand has resulted in a difficult situation for consumers."

"The non-partisan Congressional Research Service has estimated that the EPA's new regulations have resulted in a 25 cent increase in gas prices in Chicago and Milwaukee," added Hagel. "In Nebraska, motorists are paying \$1.81 per gallon on average -- the sixth highest gas price in the country."

The Congressional Research Service (CRS) also found that pipeline disruptions in the Midwest have contributed an additional 25 cents to the current high fuel costs. Gasoline prices have been increasing since the oil cartel OPEC cut back on crude oil supplies last year.

"We currently rely on foreign sources for 60 percent of our domestic oil supply. That's nearly twice the level of the energy crisis of the 1970s," said Hagel. "As long as this continues, our gas prices are subject to the whims of foreign oil cartels. That's no way to run a national energy policy. In the long term, we must find ways to increase domestic oil production and the availability of alternative forms of energy."

